

CERTIFICATE AS TO RESOLUTION

I, the undersigned, being the duly qualified and acting recording officer of Madison County, Montana (the "County"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION RELATING TO A PROJECT ON BEHALF OF MADISON VALLEY HOSPITAL, INC., A MONTANA NON-PROFIT CORPORATION, AND THE ISSUANCE OF REVENUE NOTES TO FINANCE THE COSTS OF A HOSPITAL FACILITY AND RELATED IMPROVEMENTS UNDER MONTANA CODE ANNOTATED, TITLE 90, CHAPTER 5, PART 1, AS AMENDED; GRANTING PRELIMINARY APPROVAL THERETO AND CALLING A PUBLIC HEARING THEREON" (the "Resolution"), on file in the original records of the County in my legal custody; that the Resolution was duly adopted by the Board of County Commissioners of the County at a regular meeting on September 18, 2007, and that the meeting was duly held by the Board of County Commissioners and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Commissioners voted in favor thereof _____
_____; voted against the same:
_____; abstained from voting thereon:
_____; or were absent: _____.

WITNESS my hand and seal officially this ____ day of September, 2007.

(SEAL)

County Clerk and Recorder

RESOLUTION NO. 36-2007

RESOLUTION RELATING TO A PROJECT ON BEHALF OF
MADISON VALLEY HOSPITAL, INC., A MONTANA
NON-PROFIT CORPORATION, AND THE ISSUANCE OF
REVENUE NOTES TO FINANCE THE COSTS OF A
HOSPITAL FACILITY AND RELATED IMPROVEMENTS
UNDER MONTANA CODE ANNOTATED, TITLE 90,
CHAPTER 5, PART 1, AS AMENDED; GRANTING
PRELIMINARY APPROVAL THERETO AND CALLING A
PUBLIC HEARING

BE IT RESOLVED by the Board of County Commissioners (the “Board”) of Madison County, Montana (the “County”), as follows:

Section 1. Recitals.

1.01. Pursuant to Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended (the “Act”), the County is authorized to enter into agreements upon terms the Board considers advantageous and not in conflict with the provisions of the Act to issue revenue notes of the County and sell such notes at public or private sale in such manner and at such times as may be determined by the Board to be most advantageous; and to loan the proceeds of its revenue notes for the purpose of defraying the cost of acquiring or improving real and personal properties suitable for use for, among other things, commercial, manufacturing, agricultural or industrial enterprises; local, state and federal governmental facilities; multi-family housing, hospitals, long-term care facilities or medical facilities; or any combination thereof. Such revenue notes may be secured by a pledge of the revenues to be derived by the County from a loan agreement with the borrower, by a mortgage on the project and by such other security devices as the Board may deem advantageous. Under the provisions of the Act, any notes so issued by the County shall be special, limited obligations of the County and shall not constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing powers.

1.02. It has been proposed that the County, pursuant to the Act, issue its revenue notes in an aggregate principal amount not to exceed \$6,500,000, in one or more series at one time or from time to time (the “Notes”), the proceeds of which will be loaned by the County to Madison Valley Hospital, Inc., a Montana non-profit corporation (hereinafter, the “Borrower”), to finance or reimburse all or a portion of the costs of designing, constructing, equipping, and furnishing a new hospital facility to be known as the Madison Valley Hospital and Clinic consisting of a two-level, approximately 36,470 square foot facility located on 3.97 acres of land, and including an acute care hospital, a clinic, laboratory, radiology department, physical therapy, emergency and trauma rooms, offices, board rooms, a kitchen, and related improvements and equipment (the “Project”), to be located on property adjacent to the existing hospital at 217 N. Main Street (on Highway 287 North) in Ennis, Montana, the legal description of which property is attached hereto as Exhibit A (which is hereby incorporated herein and made a part hereof), to fund a reserve, and to pay certain costs and expenses incidental to the issuance and sale of the Notes. The maximum aggregate principal amount of the proposed notes is \$6,500,000. The Project will be owned and operated by the Borrower.

Section 2. Preliminary Findings. Based on representations made by representatives of the Borrower to the County, the Board hereby makes the following preliminary findings, determinations and declarations, subject to final findings, determinations and declarations following the public hearing called pursuant to Section 4 hereof:

(a) The Project, as proposed, will be suitable for use as a hospital facility eligible for financing under the Act.

(b) The County is authorized by the Act to issue its revenue notes to defray the costs of making a loan to the Borrower, the proceeds of which will be used to finance or reimburse part or all of the costs of designing, constructing, equipping, and furnishing the Project, funding a reserve, and paying the costs and expenses incident to the issuance and sale of the Notes, and to enter into an agreement (the "Loan Agreement") with the Borrower requiring loan repayments from the Borrower in amounts and at times sufficient to pay the principal of and interest on the Notes when due and requiring the Borrower to pay all costs of maintaining and insuring the Project, including taxes thereon.

(c) In preliminarily authorizing the designing, constructing, equipping, and furnishing of the Project and the issuance of the Notes, the County's purpose is, and the Board believes the effect thereof will be, to promote the general welfare of the County and its residents by providing hospital facilities to serve its residents, providing employment opportunities for its residents, and aiding in economic development in furtherance of the purposes and policies of the Act.

(d) The undertaking of the Project and the issuance of the Notes to finance or reimburse all or a portion of the costs thereof are in the public interest.

Section 3. Preliminary Approval. This Board hereby gives preliminary approval to the Project and the issuance of the Notes in an aggregate principal amount not to exceed \$6,500,000 to finance or reimburse all or a portion of the costs thereof, subject to final approval following the public hearing provided for in Section 4, and subject to final determination by the Board that the financing of the Project and the issuance of the Notes are in the best interest of the County.

Section 4. Public Hearing. Section 90-5-104 of the Act requires that, prior to the issuance of the Notes a public hearing duly noticed shall be held by the County on the proposed Project and the issuance of the Notes to finance the costs thereof. Pursuant to such authority, a public hearing on the proposed Project and the issuance of the Notes to finance the costs thereof shall be called and held by the Board on October 9, 2007 at 2:00 p.m., in the Commissioners' Conference Room at the Madison County Courthouse, 110 West Wallace, in Virginia City, Montana.

Section 5. Notice of Hearing. The County Clerk and Recorder is hereby authorized and directed to cause notice of the public hearing to be published in *The Madisonian* once a week for three consecutive weeks before the date of the hearing, as required by Section 90-5-104(1) of the Act. The notice shall be published in substantially the form attached hereto as Exhibit B (which is hereby incorporated herein and made a part hereof).

Section 6. Costs. The Borrower will pay, or upon demand, reimburse the County for payment of, any and all costs incurred by the County in connection with the Project and the issuance of the Notes, whether or not the Project is carried to completion and whether or not the Notes are issued.

Section 7. Commitment Conditional. The adoption of this resolution does not constitute a guarantee or a firm commitment that the County will issue the Notes as requested by the Borrower. If, based on comments received at the public hearing to be held pursuant to this resolution, or other information made available to or obtained by the County during its review of the Project, it appears that the Project or the issuance of Notes to finance the costs thereof is not in the public interest or is inconsistent with the purposes of the Act, the County reserves the right not to authorize the issuance of the Notes. The County also retains the right, in its sole discretion, to withdraw from participation and accordingly not issue the Notes if the Board, at any time prior to the issuance thereof, determines that it is in the best interests of the County not to issue the Notes or if the County and other parties to the transaction are unable to reach agreement as to the terms and conditions of any of the documents for the transaction.

PASSED AND APPROVED BY THE BOARD OF COUNTY COMMISSIONERS OF
MADISON COUNTY, MONTANA, on this 18th day of September, 2007.

David Schulz, Chair

Attest:

County Clerk and Recorder
(SEAL)

EXHIBIT A

LEGAL DESCRIPTION OF PROJECT LOCATION

Tract 1 of Certificate of Survey No. 2/229-BA, being situated in the SW1/4 of Section 33, Township 5 South, Range 1 West, Madison County, Montana containing an area of 3.9761 acres, more or less.

EXHIBIT B

NOTICE OF PUBLIC HEARING ON A PROPOSED PROJECT AND THE ISSUANCE OF REVENUE NOTES UNDER MONTANA CODE ANNOTATED, TITLE 90, CHAPTER 5, PART 1, AS AMENDED, TO FINANCE THE COSTS THEREOF

MADISON COUNTY, MONTANA

NOTICE IS HEREBY GIVEN that the Board of County Commissioners (the "Board") of Madison County, Montana (the "County"), will meet on October 9, 2007 at 2:00 p.m., in the Commissioners' Conference Room at the Madison County Courthouse, 110 West Wallace, in Virginia City, Montana, for the purpose of conducting a public hearing on a proposal that the County issue its industrial development revenue notes (the "Notes"), under Montana Code Annotated, Title 90, Chapter 5, Part 1, as amended (the "Act"), on behalf of Madison Valley Hospital, Inc., a Montana non-profit corporation (the "Borrower").

The Notes would be issued to provide funds to finance or reimburse all or a portion of the costs of designing, constructing, equipping, and furnishing a new hospital facility to be known as the Madison Valley Hospital and Clinic consisting of a two-level, approximately 36,470 square foot facility located on 3.97 acres of land, and including an acute care hospital, a clinic, laboratory, radiology department, physical therapy, emergency and trauma rooms, offices, board rooms, a kitchen, and related improvements and equipment (the "Project"), to be located on property adjacent to the existing hospital at 217 N. Main Street (on Highway 287 North) in Ennis, Montana, the legal description of which property is on file with the County, to fund a reserve, and to pay certain costs and expenses incidental to the issuance and sale of the Notes. The Notes may be issued in one or more series at one time or from time to time. The maximum aggregate principal amount of the proposed note issue or issues is up to \$6,500,000. The Project will be owned and operated by the Borrower.

The Notes will be secured by a pledge of the revenues to be derived by the County from a loan agreement with the Borrower and by such other security devices, if any, as may be deemed advantageous. The Notes will be special, limited obligations of the County, and the Notes and interest thereon will be payable solely from the revenues pledged to the payment thereof. No holder of any of the Notes will ever have the right to compel any exercise of the taxing power of the County to pay the Notes or the interest thereon, nor to enforce payment thereof against any property of the County except money payable by the Borrower to the County and pledged to the payment of the Notes.

All persons interested may appear and be heard at the time and place set forth above, or may file written comments with the County Clerk and Recorder prior to the date of the hearing set forth above. Further information may be obtained from Peggy Kaatz Stemler, County Clerk and Recorder, telephone: (406) 843-4270; or Sam Korsmoe, Executive Director, Madison Economic Development Council, telephone: (406) 682-5923.

Dated: September 18, 2007.

BY ORDER OF THE BOARD OF
COUNTY COMMISSIONERS

PUBLISH: September 20, 2007
September 27, 2007
October 4, 2007

County Clerk and Recorder